

Resolution Stating the Purpose of the NARUC Investment Reserve

WHEREAS, the National Association of Regulatory Utility Commissioners (NARUC) is a non-profit association that is exempt from Federal taxes under section 501(c)(4) of the Internal Revenue Code; and

WHEREAS, NARUC maintains an investment reserve to meet the future needs of the Association as a tax-exempt organization; and

WHEREAS, in July 1999, NARUC adopted its most recent policy for investment of this reserve, which included the following statement of purpose for the reserve:

Purpose of the Assets

"The Assets covered by this Policy constitute a reserve of funds built through decades of prudent and careful management by NARUC. The Assets in this reserve were accumulated to provide NARUC with continuing financial health during a period of fundamental change in the core responsibilities of its members, State regulatory commissions. The purpose of these Assets is to enable NARUC to withstand changing economic conditions and declining membership and associated revenues, while supporting new programs necessary to address the changing needs of the NARUC membership."; now therefore be it

RESOLVED, That the National Association of Regulatory Utility Commissioners (NARUC), assembled in its November 2000 112th Annual Convention, in light of the need to establish a

written policy on the reserve consistent with NARUC's status as a tax-exempt organization, hereby reaffirms this statement of policy concerning the purpose of the investment reserve.

Sponsored by the Executive Committee

Recommended by the Board of Directors.

Accepted in Convention November 15, 2000.